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C O N F I D E N T I A L QUITO 001558

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E.O. 12958: DECL: 05/24/2016  
TAGS: [PGOV](#) [PREL](#) [EC](#)  
SUBJECT: THE AMBASSADOR'S JUNE 21 MEETING WITH VICE  
PRESIDENTIAL CANDIDATE RAMIRO GONZALEZ

Classified By: PolOff Jarahn Hillsman, Reasons 1.4 (b&d)

11. (C) Summary: Vice Presidential candidate Ramiro Gonzalez told the Ambassador on June 21 that he and Presidential candidate Leon Roldos (currently ahead in polls) plan to reform the educational system, the electrical sector, and repair the investment climate crippled by the recently-passed hydrocarbons law. He denied reports that Roldos would default on Ecuador's foreign debt and said that they are supportive of an FTA that is advantageous for Ecuador. Roldos and Gonzalez plan to visit Washington in mid-July. End Summary.

Roldos/Gonzalez to Visit DC  
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12. (C) Gonzalez told the Ambassador that he and Roldos will travel to Washington in mid-July (tentatively 12-16) to meet with representatives from international financial institutions. The Ambassador offered to arrange appointments with USG officials. Gonzalez thanked her for the offer, and said that they would get back to us.

We Would Pay the National Debt  
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13. (C) The Ambassador asked Gonzalez to clarify reports that Roldos had said he would not pay the country's foreign debt if elected, noting this would complicate the next government's relationship with international financial institutions and likely further damage the investment climate. Gonzalez said that Roldos, plan for addressing the foreign debt has been simplistically misportrayed by the press and is not a moratorium. It is a complicated proposal that would balance new productive investment and debt payment, so that the GOE does not pay out more than it takes in each year. The Ambassador noted that the opportunity to explain that plan in detail to the IFIs during the Washington trip would be useful.

We Have a Plan  
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14. (C) The Ambassador asked what role Gonzalez would take on as Vice-President if the Roldos-ID alliance were successful. Gonzalez said that he intended to work as a team with Roldos. He believed that his relationship with municipal and provincial leaders would improve communication between the central government and regional and local authorities. Gonzalez also said he supports further decentralization, as

the central government has historically been unable to effectively fulfill its obligations.

15. (C) Gonzalez told the Ambassador that he and Roldos already have developed a comprehensive strategy to be implemented within the first 100 days of taking office. The goal is to quickly gain credibility with the Ecuadorian public, he said. The first order for the Roldos-Gonzalez team would be to aggressively overhaul the country's educational system. Gonzalez lamented its inefficiencies and said that Roldos would need to take on the powerful teacher's union (UNE) and be prepared to wait out a three month strike, at least. Gonzalez also revealed plans to reform the electrical sector, and to work to make Ecuador more attractive to foreign investors by repairing damage done by the hydrocarbons law.

#### Gonzalez Discusses Elections

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16. (C) The Ambassador asked Gonzalez who he felt was the toughest opponent in the upcoming presidential elections, Gonzalez named PSC candidate Cynthia Viteri as Roldos' strongest rival. He said that a survey conducted by his campaign team found that sixty percent of the respondents believe Rafael Correa to be too extremist. Most of those polled, he said, believed that a Correa alignment with the indigenous would harm his campaign. Many, according to Gonzalez, view the indigenous movement negatively, since it puts its own interests ahead of the nation.

17. (C) The Ambassador raised the possibility of popular journalist and Andean parliamentarian Freddy Ehlers joining the Correa campaign, perhaps as his running-mate. Gonzalez said that Ehlers had become increasingly absorbed by religious mysticism, and suggested that Correa's own fervent Catholicism might be the basis of their rumored political union.

#### Must Separate FTA from U.S.

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18. (C) Gonzalez, an economist by training with a sophisticated and pragmatic approach to economic policy, told the Ambassador that the concept of free trade agreements in general terms are difficult here, but are particularly problematic when attached to the United States. He said that the ID supports free trade that is beneficial to Ecuador, and hopes to expand talks with other nations, as well as the U.S. The party was working to de-link free trade agreements from the U.S. by explaining their overall benefit to economic development, he said. Gonzalez also stated that it was difficult to say if they would have supported the FTA with the U.S., as the most important aspects of the agreement had not been concluded.

#### ID Internal Battles Healthy

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19. (C) Gonzalez claimed ID President Guillermo Landazuri had lost control of the ID, but this was "healthy party politics", showing the ID is more internally democratic than other parties. The ID is very concerned with recent public positions taken by congressmen Jorge Sanchez and Carlos Gonzalez. The ID believes that they feared losing their Congressional seats in outcome elections and thus ramped up the populist rhetoric. They have since been requested to tone down, he reported. Neither will lose their positions on the October congressional election list.

#### Biographic Information

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110. (C) Ramiro Gonzalez Jaramillo was born on August 26, 1958. He received an economics degree from Quito's Catholic University. He did post-graduate study in political science at FLACSO, and participated in courses at George Washington University, Harvard University, and Clark Atlanta University.

Gonzalez has held positions as Sub-secretary for Human Resources at the Ministry of Labor, head of Quito College of Economics, National Director for the ID Institute of Political Formation, and provincial vice president of ID. He is currently serving his second term as provincial prefect (U.S. governor equivalent) for Pichincha.

Comment

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¶11. (C) Gonzalez is a dynamic, moderate economist and would likely be a constructive, like-minded interlocutor for the USG on many issues. His attempt to portray the Roldos-ID alliance as trouble-free belies other indications of internal strain over congressional candidacies. A natural conciliator, Gonzalez would seem well-fitted to balance the more mercurial Roldos. Few believe, however, that the ambitious Gonzalez would settle for playing second fiddle for long.

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